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Large Amounts of Air Force Materiel Unaccounted for, GAO Chief Says

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Air Force inventory records are in such bad shape that its worldwide Logistics Command cannot account for almost a third of its spare parts and ammunition, Comptroller General Charles A. Bowsher said yesterday at a hearing on government financial management practices.

Bowsher and aides from the General Accounting Office told the Senate Committee on Governmental Affairs that the Logistics Command estimates that its "inventory accuracy" for spare parts, repair parts and other items including ammunition is 68 or 69 percent. The witnesses emphasized that the figures came from the Air Force itself.

"You mean a third may be missing?" Sen. John Glenn (D-Ohio), the committee chairman, asked in incredulous tones.

"They are just not able to say where it is," replied Frank C. Conahan, assistant comptroller for national security and international affairs.

Conaghan also said that court cases "clearly show" that in some instances military ordnance has ended up in the international arms market or in the hands of terrorists.

While the other services were not discussed at the hearing, GAO officials said privately that they have similar inventory problems.

"I hate to see the Air Force take it on the chin, because the other services are going to come out that way, too," a congressional source said after yesterday's hearing. "Before the GAO started looking into this recently, the services were saying they could tell, within 5 percent, where everything was."

Conahan indicated at the hearing that the Logistic Command's inventory shortcomings included some types of missiles, but a GAO spokesman said later that they did not. Other government sources,

however, said that the GAO is investigating reports that some Army Stinger ground-to-air missiles that it wanted to recall could not be found.

Voicing other concerns about government accountability, Bowsher said the Central Intelligence Agency remains the major obstacle to GAO efforts to step up its audits of sensitive intelligence activities and so-called "black programs," highly secret weapons projects.

The code-breaking National Security Agency and the military services have allowed GAO auditors with top-secret clearances to review many of their tightly guarded activities, but Bowsher said "we have not done audits" at the CIA or even been allowed to review the CIA's own internal audits.

Bowsher said the CIA has refused on the grounds that the House and Senate select committees on intelligence have sole congressional oversight authority over the agency. But when GAO officials in turn asked the intelligence committees if they wanted GAO assistance, Bowsher said, "the answer was no."

Bowsher said that legislation is necessary to give his watchdog agency explicit authority to monitor most CIA spending.

Under questioning by committee members, Bowsher reviewed a GAO report issued last December that said the GAO could not adequately account for nearly \$17 million of the \$27 million in "humanitarian assistance" appropriated last year for the contras or counterrevolutionaries fighting the Sandinista regime in Nicaragua. He said that some of the funds, which were administered by the State Department, produced profits for currency-speculating middlemen, and that some wound up in offshore bank accounts in the Bahamas and the Cayman Islands. According to more recent reports, some of the profits

from secret U.S. arm sales to Iran also passed through there.

The GAO, Bowsher said, has completed a classified study tracking the U.S.-sponsored arms flow to Iran and is preparing to submit its report to the special House and Senate committees investigating those operations. A companion investigation into the flow of money produced by those sales is still under way, he said.

"We have not" found out where the money diverted from the arms sales went, Bowsher said. He said this investigation was being done primarily in conjunction with Federal Bureau of Investigation agents working for independent counsel Lawrence E. Walsh.